

Introduced by Senator Peace

February 18, 1999

An act to amend Section 1811 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 506, as introduced, Peace. Water conveyance facilities: transfers.

Existing law prohibits the state or a regional or local public agency from denying a bona fide transferor of water, as defined, from using a water conveyance facility that has unused capacity for the period of time for which that capacity is available, if fair compensation is paid for that use and other requirements are met. Existing law defines "fair compensation" to mean the reasonable charges incurred by the owner of the conveyance system, as specified.

This bill would revise the term "fair compensation," for the purposes of those provisions, to mean the reasonable charges incurred by the owner of the conveyance system, based on the specific characteristics of a proposed transfer and resulting from the use of the conveyance system by a bona fide transferor of water.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1811 of the Water Code is
2 amended to read:

1 1811. As used in this article, the following terms ~~shall~~
2 have the following meanings:

3 (a) “Bona fide transferor” means a person or public
4 agency as defined in Section 20009 of the Government
5 Code with a contract for sale of water that may be
6 conditioned upon the acquisition of conveyance facility
7 capacity to convey the water that is the subject of the
8 contract.

9 (b) “Emergency” means a sudden occurrence such as
10 a storm, flood, fire, or an unexpected equipment outage
11 impairing the ability of a person or public agency to make
12 water deliveries.

13 (c) “Fair compensation” means the reasonable
14 charges incurred by the owner of the conveyance system,
15 *based on the specific characteristics of a proposed*
16 *transfer and resulting from the use of the conveyance*
17 *system by a bona fide transferor of water*, including
18 capital, operation, maintenance, and replacement costs,
19 increased costs from any necessitated purchase of
20 supplemental power, and including reasonable credit for
21 any offsetting benefits for the use of the conveyance
22 system.

23 (d) “Replacement costs” mean the reasonable portion
24 of costs associated with material acquisition for the
25 correction of irreparable wear or other deterioration of
26 conveyance facility parts that have an anticipated life
27 that is less than the conveyance facility repayment period
28 and which costs are attributable to the proposed use.

29 (e) “Unused capacity” means space that is available
30 within the operational limits of the conveyance system
31 and that the owner is not using during the period for
32 which the transfer is proposed and which space is
33 sufficient to convey the quantity of water proposed to be
34 transferred.

